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MEMORANDUM FOR : Chief, Audit Staff

SUBJECT : Response to Report of Audit of Office of Special Activities for the period 1 March 1961 to 30 June 1962

REFERENCE : [redacted] 3502-62, dated 9 August 1962

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1. As you requested in the subject audit report, we are submitting herewith the action taken on the various recommendations included in paragraph 1 of the report.

2. ~~RECOMMENDATION a.~~ Take positive administrative action to clear delinquent operational advances.

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ACTIONS TAKEN:

a. An accounting has been received from [redacted]
[redacted] which clears his outstanding advances.

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b. Accountings have been received from [redacted]
[redacted] which clear his outstanding advances.

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[redacted]

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2. ~~RECOMMENDATION b.~~ Maintain allotment control records in accordance with [redacted]

ACTION TAKEN:
The allotment control records are now being maintained
in accordance with [redacted]

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Handle via [redacted]
Control System

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4. RECOMMENDATION c. Review FY 1960 and FY 1961 obligations and adjust.

ACTION TAKEN:

The obligations mentioned have been reviewed by the various operating components and action has been taken to liquidate all balances.

5. RECOMMENDATION d. Improve procedures and control over administration of travel.

ACTION TAKEN:

Action has been initiated to insure that requests for travel orders are submitted sufficiently in advance of the departure date to permit travel orders to be issued and distributed to the traveler for review prior to the commencement of travel.

6. RECOMMENDATION e. Correct deficiencies in administration of advances and payments to contract employees.

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ACTION TAKEN:

a. The recommendations made in reference to contract employee [redacted] are now being followed, with accounting flowing through the Chief, Administrative Division for approval and through the Comptroller, CIA for audit and certification prior to submission to the Finance Division for payment. Travel advances are being held to limits specified in the contract.

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b. The advance to contract employee [redacted] has been reviewed and is being reduced to a nominal amount sufficient to meet current requirements.

7. RECOMMENDATION f. Determine intended purpose of imprest fund, amount required, and obtain proper authorization.

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ACTION TAKEN:

The imprest fund at [redacted] has been reviewed by officials of this office, the Office of the Comptroller, and by the Office of the DD/S. The letter of authorization relative to the use of this fund has been updated and has been approved by the Comptroller. The DD/S, in his memorandum of 6 September 1962, has also approved the travel functions conducted by [redacted]

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4. RECOMMENDATION 4. Provide for proper approval procedures at Headquarters and Domestic Field Stations.

ACTION TAKEN:

a. New Delegations of Authority have been issued by the Deputy Director (Research) designating USA approving and authorizing officers.

b. The USA Contracting Officer has been designated approving officer for payment of invoices in connection with his contractual responsibilities. This constitutes the majority of payments that are processed by USA which could be construed as operational payments. The remaining items that require review by approving officers are travel accountings, station accountings, interest fund accountings, occasional local procurement items and operational entertainment. The Chief, Administrative Division and his Deputy will continue to approve these items.

c. The misunderstanding of approving authority mentioned in the Audit Report which existed at Edwards Air Force Base has been clarified. Other items in the report concerning Domestic Field Stations have been corrected and correspondence now in hand indicates that in all cases the audit recommendations have been implemented.

5. RECOMMENDATION 5. Provide for adequate cash control at domestic field stations.

ACTION TAKEN:

The Chief of Station at Edwards Air Force Base was requested to investigate the incident of the cash shortage and report his findings to Headquarters. This report has been submitted and the matter has been forwarded to the Headquarters Board of Review for determination. Each field station has been directed to adopt the recommendations of the auditors concerning control of cash and in each instance the stations have advised that those recommendations are now in practice.

6. The recommendations and suggestions made by the auditors

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were most helpful to us in carrying out the many complex
programs associated with this Division.

JAMES A. CUNNINGHAM, JR.
Deputy Assistant Director
(Special Activities)

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Admin/CSA (11 October 1962)

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